

Message Text

UNCLASSIFIED

PAGE 01 TOKYO 12349 172031Z

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C O R R E C T E D C O P Y (MRN 12349 VICE 1349)

EXCON

E.O. 11652: N/A

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SUBJECT: DIB-678P PROCEDURE: SOFICOMEX

REF: A) STATE 190283 B) TOKYO 9865

1. EMBASSY RECOMMENDS THAT SOFICOMEX, YAMATO BLDG., NO. 7-9-17, GINZA, CHUO-KU (C.P.O. BOX 403), TOKYO, JAPAN, BE ACCEPTED AS A PARTICIPANT UNDER THE DIB-678P PROCEDURE APPLIED FOR BY HARRIS SEMI-CONDUCTOR DIVISION (HSD) OF FLORIDA, AS THE FIRM APPEARS TO MEET REQUIREMENTS OF EXPORT ADMINISTRATION REGULATIONS, PART 373.3, IN TERMS OF (A) DIRECT APPOINTMENT AS DISTRIBUTION AGENT BY AN AMERICAN EXPORTER, (B) PRE-REQUISITE VOLUME OF BUSINESS, AND (C) STATUS OF DISTRIBUTION OF THE SUBJECT COMMODITY.

2. EMBASSY FINDINGS REVEALED THAT SOFICOMEX WAS ESTABLISHED IN TOKYO IN 1961 AS A JAPANESE CORPORATION AND AS A MEMBER FIRM OF IMETAL, A GROUP OF FRENCH MINING COMPANIES HEADQUARTERED IN PARIS, WITH GEORGES JEAN HUGUENOT AS PRESIDENT AND ALAN VALES AS MANAGER OF TECHNICAL DEPT. ITS CAPITAL OF SIX MILLION FRANC IS SHARED BY PENAROYA (75 PERCENT) AND LE NICKEL S.L.N. (25 PERCENT) BOTH OF WHICH ARE PARIS-BASED MINING COMPANIES AND ARE WHOLLY-OWNED SUBSIDIARIES

UNCLASSIFIED

PAGE 02 TOKYO 12349 172031Z

OF IMETAL GROUP. BESIDES ITS IMPORT OF ORES FROM THE

TWO FRENCH MINING COMPANIES, SOFICOMEX IS ACTING AS EXPORTER AND IMPORTER OF ELECTRONIC APPARATUS AND VARIOUS MACHINERY.

3. IN RESPONSE TO EMBASSY INQUIRY, MR. OHTA, TECHNICAL DEPT OF SOFICOMEX, STATED FOLLOWING IN REGARD TO THE BACKGROUND OF HSD'S APPLICATION TO THE OEA FOR THE DIB-678P PROCEDURE:

A) SINCE MID-1975, SOFICOMEX SUPPLIED HSD-MADE INTEGRATED CIRCUIT (IC) CHIPS TO I.C. INSTRUMENT CO., AND MICRO-ELECTRONIC CO., BOTH OF WHICH ARE DIGITAL WATCH MAKERS IN HONG KONG. HSD HAD S & T ENTERPRISES AS ITS DISTRIBUTION AGENT IN HONG KONG, BUT THE TWO HONG KONG WATCH MAKERS PREFERRED TO PURCHASE FROM SOFICOMEX BECAUSE IT WAS MORE CONVENIENT FOR THEM TO OBTAIN CHIPS AND OTHER IC PARTS TOGETHER WITH KITS FROM SOFICOMEX RATHER THAN TO PURCHASE CHIPS FROM S & T AND OTHER PARTS FROM OTHER SOURCES; FURTHER, S & T HAS NOT ALWAYS MET DELIVERY SCHEDULES.

B) UNDER INSTRUCTION OF HARRIS SEMI-CONDUCTOR'S FAR EAST BRANCH IN TOKYO, SOFICOMEX, WHICH WAS NOT IN A POSITION TO DIRECTLY IMPORT IC CHIPS FROM HSD, HAS BEEN PURCHASING FROM TOHO TRADING CO., LTD., SEKINO BLDG., NO. 4-1, NISHI SHIMBASHI 2-CHOME, MINATO-KU, TOKYO, JAPAN; TOHO IS HSD-APPOINTED AGENT FOR DISTRIBUTION IN SOUTH KOREA. THIS ARRANGEMENT NECESSARY BECAUSE THE THREE FIRMS APPOINTED BY HSD AS DISTRIBUTION AGENTS IN JAPAN, HAKUTO CO., MITSUBISHI CORP., AND KANEMATSU-GOSHO CO., DID NOT HANDLE IC CHIPS FOR DIGITAL WATCHES. (SEE PARA 2-(A) OF REFTTEL B FOR INFORMATION ON ABOVE AGENTS AND HARRIS FAR EAST BRANCH.)

C) SINCE TOHO TRADING GAVE PRIORITY TO DISTRIBUTION OF CHIPS TO KOREAN WATCH MAKERS, HOWEVER, SOFICOMEX'S PURCHASES FROM TOHO TRADING HAVE BEEN LIMITED TO 40,000 CHIPS DURING PAST YEAR AGAINST MONTHLY 60,000 PCS DEMANDED BY THE TWO HONG KONG MAKERS. SOFICOMEX, THEREFORE, REQUESTED HSD TO APPOINT THE FIRM AS A NON-UNCLASSIFIED

UNCLASSIFIED

PAGE 03 TOKYO 12349 172031Z

EXCLUSIVE DISTRIBUTION AGENTS, SO FIRM COULD SATISFY DEMAND OF HONG KONG CUSTOMERS BY MEANS OF DIRECT IMPORT FROM HSD. THIS REQUEST WAS ACCEPTED BY HSD AND RESULTED IN THE AMERICAN EXPORTER'S DIB-678P APPLICATION.

4. ACCORDING TO MR. OHTA, ARRANGEMENTS ARE ALSO BEING MADE WITH HSD FOR HIS FIRM TO SUPPLY HSD-MADE IC CHIPS TO KOREAN AND TAIWANESE WATCH MAKERS ON A CASE-BY-CASE

BASIS. HSD WOULD ADJUST DISTRIBUTION BETWEEN SOFICOMEX;
TOHO TRADING, AS DISTRIBUTOR FOR SOUTH KOREA; AND M.
WALTER & CO. OF TAIPEI (SEE PARA 2-(A) OF REFTEL
B). IF APPROVED BY THE OEA, THEREFORE, SOFICOMEX EXPECTS
ITS MONTHLY IMPORT OF CHIPS FROM HSD TO EXCEED 60,000
PCS DEMANDED BY THE TWOHONG KONG MAKERS.
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